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Military Market

MAGAZINE FOR THE MILITARY RESALE SYSTEM

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INTERVIEW STRATEGIC VISION

Richard E. Scott, president of the American Logistics Association, talks about long-range planning and direction for resale's largest trade association.

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serving the military
resale system

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A Tight Ship

Thanks to tight budgeting and a small staff, the Marine Corps' commissary program has escaped big budget cuts . . . Not that she wouldn't mind a slight funding increase, says Pamela LaRue.

Marine Corps commissaries are safe . . . Safe from the budget ax.

And safe from a personnel change that could have devastated the small headquarters, if an experienced person hadn't replaced departing commissary program manager Joseph Jeu.

"Lucky, yes," says the new program manager, Pamela Pervier LaRue.

Besides being the first woman to head a commissary system, at age 31 Pam LaRue is also probably the youngest person ever to be in charge of a commissary program. The Marines have 15 stores, doing \$167 million in annual sales.

She remains cool and nonplussed. "It's a high pressure job, but I love it."

LaRue has nine years of resale experience. After graduating from Virginia Polytechnic Institute and State University in 1978 with a business degree, she began working for the Army Troop Support Agency as an intern.

LaRue then moved to TSA's Northeast region as a commissary specialist and troubleshooter, later becoming chief of inventory management at NECOR.

In something of a job swap, she and her predecessor, Joe Jeu, who then also worked for the Army commissary program, both moved to the Marine Corps Commissary Service Branch in the fall of 1984. This was the same time that Jeu's predecessor, Cecil Saunders, became director of the Army's Southeast Commissary Region.

LaRue began heading the Marines commissary program in January 1988, when Jeu was officially promoted to head the Marines' services branch. She got her own promotion in February.

On Budget Cuts: "We're Tight . . . and Taking the Hits"

LaRue took over the commissary program at a time when the Marines were recovering from a rough 1987. Sales were flat, and resources were low.

While several stores cut back hours last year, the picture this year looks brighter. LaRue hopes the Marines will find a few extra pennies for their operations in the next couple of years. "We could possibly see an increase in the 1989-90 timeframe." At the very least, she says, "we hope we won't see a decrease."

LaRue notes that the Marines "boast about the fact that we've increased our sales without any funding increases or resources increases." Basically, she says, "we've been operating in the last five years with no additional funds," except for inflationary increases.

While the other commissary systems are considered separate agencies under each military department, the Marines program is part of the Marine Corps' headquar-

BY BILL KALIS

By Beverly Jones, Associate Editor

system of the month

ters budget and not a separate agency at all.

They were saved from the '88 budget ax, because "we've been operating as tight as we can and taking the hits for the last five years." In fact, the commissary program is one of the few in the headquarters budget that wasn't touched.

"We attribute that to our efficient operations," LaRue says. However, "it doesn't mean we should stop looking for ways to tighten up, but it is about as tight as it can be."

Last year's curtailed store hours have been partially restored. The Hadnot Point, N.C., store, having cut out six hours, is now back to a 48-hour weekly schedule. Tarawa Terrace, cut four hours, has added two hours to its original 50-hour schedule.

(However, the Quantico, Va., store is still operating at 41 hours a week, down seven hours. The El Toro, Calif., store is operating on a five-day schedule instead of the former six.)

LaRue says better management of part-time employees is part of the reason for some hours increases. For example, the Cherry Point, N.C., commissary is a seven-day operation, though it's only funded for six days a week. "They managed to do it by stretching out part-timers and scheduling them properly," says LaRue.

On Sales: "Not Losing Any, Not Finding New Shoppers"

Sales for fiscal 1987 were up 1.3 percent over fiscal 1986. They increased at 1 percent in the first quarter of fiscal 1988. LaRue projects a total 3-percent increase for fiscal 1988.

Over the past five years, Marine commissaries have increased sales 31 percent — 24 percent without inflation.

"With any system that's had the increase in sales we've had in the past five years, you're eventually going to level off," says LaRue. Increases in the past two years have been only about 1 percent each year.

The reason, she says, is that the market is basically saturated. "We're not losing any sales. We're just not finding any new commissary shoppers."

On New Stores: "We'll Get Some New Patrons"

One way of getting new shoppers and increased sales is by opening a new store.

A new commissary at Twenty-nine Palms, Calif., set to open in mid-July, could increase sales by as much as \$300,000 a month. The new store will have 15,500 square feet — 5,800 square feet more than the present store. LaRue hopes that the new store will increase sales to \$1 million a month from the current \$700,000.

In 1990, a new store and new warehouse will be completed at Camp Lejeune, N.C. The single large store will replace the two smaller stores at Tarawa Terrace and Hadnot Point.

When complete, the Lejeune commissary will be the largest in the Marine Corps, with at least 20 checkouts.

"Hopefully, we'll get some new patrons with the new store," LaRue says.

Also in 1990, the East Coast distribution center, at Camp Lejeune, will get new digs. "The base is giving us contiguous warehouses," LaRue says, and the commissary service will spend \$1 million to attach the two. Warehouse space will be doubled to 128,000 square feet.

The East Coast distribution center is older and carries fewer line items than its West Coast counterpart — it stocks only 2,700 line items versus El Toro's 3,500 dry grocery lines. The new Lejeune distribution center should mean an increase to 3,500 or more line items.

(Because of distance, three of the 15 Marine stores — at Kaneohe Bay, Hawaii; Albany, Ga.; and Quantico, Va. — do not receive shipments from the central distribution centers. All of the other 12, including the store at Iwakuni, Japan, are covered.)

LaRue says the Marines don't plan to use frequent delivery to augment the distribution centers. "We take care of distribution ourselves," she says, and the Marines want to keep it that way. However, she acknowledges that budget cuts could force such a decision "years down the road ... but, right now, it's not in the plan."

On Scanning, Central Pricing: "It's Less Labor-Intensive"

Although it's still not definite, the Marines may finally get scanning in some stores by the end of summer. Plans for scanning have been made over the past two years, but numerous problems arose with contract administration.

"There were some questions on bids that had to be answered by our contracting office. Technically, we had

Marine Corps Commissary Sales

	Fiscal 1986 Sales	Fiscal 1987 Sales	Percent Change
WESTERN			
El Toro	23,341,268	23,212,459	-0.55
San Onofre	4,004,793	4,382,693	9.44
Camp Pendleton	22,048,282	23,021,841	4.42
Barstow	3,329,416	3,455,473	3.79
29 Palms	7,523,774	7,850,973	4.35
Yuma	6,394,666	6,514,980	1.88
Kaneohe Bay	12,538,872	12,088,070	-3.60
Iwakuni	3,059,054	3,296,272	7.75
TOTAL	82,240,125	83,822,761	1.92
EASTERN			
Hadnot Point	13,035,091	13,071,030	0.28
Tarawa Terrace	13,995,906	14,649,231	4.67
New River	3,215,746	3,391,580	5.47
Cherry Point	16,598,798	17,318,580	4.34
Parris Island	8,077,515	7,993,180	-1.04
Albany	5,591,366	5,747,568	2.79
Quantico	22,096,205	21,012,386	-4.91
TOTAL	82,610,627	83,183,964	0.69
GRAND TOTAL	164,850,752	167,006,725	1.31

system of the month



BY BILL KALIS

COOL UNDER FIRE: "It's a high pressure job, but I love it," Pam LaRue says.

no problem with it," but there were some administrative problems, LaRue explains.

The milestone date for contract award is now the last day in May.

When the scanning contract is awarded, implementation will be quick. The Marines aren't going to bother to test scanning since they believe it's a valid concept and well proved by the other services.

The first site, the West Coast distribution center, will be brought on-line within 60 days of contract award. After the contract is awarded, it will take only eight months to get all 15 stores on line, LaRue predicts. The implementation schedule is roughly three stores every 30 days:

- Thirty days after the West Coast distribution center is completed, Camp Pendleton, San Onofre and El Toro will get scanning.

- Next, the East Coast complex office will be done, plus the two Camp Lejeune stores, and the Cherry Point, and New River, N.C., stores.

- Then, within 30 days, the more remote East Coast stores will be done — Parris Island, S.C., Albany, Ga., and Quantico, Va.

- Back to the West Coast, where Yuma, Ariz., Twenty-nine Palms, and Barstow, Calif., will be completed.

- Last to be done will be Iwakuni, Japan, and Kaneohe Bay, Hawaii.

Scanning will be put into the complex offices before it's added to the stores, because prices will be centrally downloaded. All pricing and price changes will be done at the two complex offices. "Because we have the central distri-

bution center and central procurement, we have all the pricing at the complex anyway," LaRue says.

"It's less labor-intensive and really smarter for us to do it this way."

Though the other services have a scanning coordinator at each store, the Marines won't. The exceptions will be the end-of-the-pipeline stores — Iwakuni, Japan, and Kaneohe Bay, Hawaii.

However, each commissary will have a limited capability to make price changes — for local VPRs, for example.

On Fixing Problems: "Once We Get Hooked Up"

Implementing the Commissary Management Information System has also been delayed because of contract specification problems.

Most of the software has been installed and is running at both complex offices. However, not all the bugs have been worked out, and some subsystems still aren't running.

The CMIS contract was awarded in 1986, but there were problems documenting the software since the contractor failed to give software specifications in military standards.

The result is that the two complex offices still cannot talk computer-to-computer with their headquarters, or to each other.

The problem will be fixed, says LaRue, "once we get our modems hooked up and software installed."

The big benefit to the headquarters will be getting its reports through a computer rather than in a hardcopy form.

MM

on the firing line

Changes at State

Employee-run associations at U.S. embassies overseas have been under fire during the last three years — from Congress and the State Department's own Inspector General.

A 1986 IG report recommended extensive changes to operations and the organization of the associations. That same year, the General Accounting Office recommended that the co-ops eliminate their use of outside contractors to provide services.

To discuss changes made in the Office of Commissary and Recreation Affairs, **MILITARY MARKET** interviewed Richard Faulk, State's acting assistant secretary for administration and deputy assistant secretary of operations in the Bureau of Administration.

The bureau oversees OCRA, which in turn provides oversight and support to 137 associations at United States embassies, consulates and missions all over the world. Is Director, Ravi Sikand, and a staff of four make up the Office of Commissary and Recreation Affairs.

Essentially, associations are employee-run co-ops.

They operate activities ranging from small convenience stores to full-scale commissaries and exchanges. At larger posts, they also run TDY housing, cafeterias, cable TV stations and other recreational activities.

Please give a skeleton summary of the changes that have come in the past two years, since the State Department's IG report cited deficiencies in embassy associations.

FAULK: First of all, we've complied with everything in the report. Basically, there are no longer any associations contracting-out. The profits that were realized were returned to the Treasury. That was the report's main thrust: We shouldn't be in the contracting business for profits, and I think we have fulfilled that obligation.

We now have a totally non-appropriated funds office, except for the director. That job is in the process of being changed from foreign service to civil service.

All of the associations now have a charter that they write and submit here. It's reviewed by the staff at the commissary and recreation office, and we either approve or disapprove it or ask them to make changes. It has to list all of their activities, so we have a better handle on what the associations are doing.

Consultants have visited our posts, and the main thing they wanted us to do was get more standardization in the financial accounting area. So first you standardize the bookkeeping and financial reporting so from post to post it's all in the same format.



State's Richard Faulk

How are you standardizing the bookkeeping?

We engaged a computer firm to do a test for us, which is completed. We then got an outside firm to come in and do an analysis of the test.

Recommendations have been made to me and I have adopted them. What we're basically going to go forward with is standardized computer software for the field.

Who pays for that?

The associations. The program gives them a number of years — a deadline to be able to standardize by, but we have not put a date on it yet.

The cost is minimal for the software — \$700 for seven or eight modules.

But if you were a small association, would you need all those modules?

The recommendation from the reviewing firm was that even a small association would be better off because they could automate almost all their total operation.

In our test we looked at many associations, from our largest in Bonn to our smallest. We tested it at eight posts last year and we're very pleased with the software.

For example, in Yemen, in the middle of the Arab world, there's no American accounting firm. There's no British accounting firm that's willing to do this type of job for what we can afford out there. And there's no one at the post who is able to do it. How do you do it?

What percentage of the associations are submitting financial reports now?

We're up in the nineties.

Compared to 70 percent which reported-in before?

That figure may be a little off, but that's about it.

Did you create a standard handbook for them to follow?

We just finished a book, the first of three — a series of manuals on how to do it. It's based on the computer program. The financial management computer programs tie right in with it. If someone followed this, they could also do the financial reports. There's computer coding on how to do things, so you can do it manually or by machine. And the other two handbooks are coming along.

By Beverly Jones, Associate Editor

Rep. Jack Brooks on Embassy Associations

MILITARY MARKET asked Rep. Jack Brooks, D-Texas, chairman of the House Government Operations Committee, to comment on embassy employee associations and the deficiencies he feels still exist. Brooks is known for his outspoken criticism of the State Department's management of associations and the strong oversight role he plays.

Are you satisfied with the progress State has made in implementing the 1986 IG report?

It was only after many months of foot-dragging that the department's management agreed to the IG recommendations. While I'm pleased to see that some progress is finally being made on implementing these reforms, it is clear that much more remains to be done.

Above all, management officials at State Department headquarters must be far more aggressive in their oversight of the associations. They simply cannot take the position that it is the Inspector General's job to keep the associations in line.

What is your response to the IG report on associations in Bonn and Frankfurt?

The wide range of deficiencies documented in the IG's recent report is clear-cut evidence that serious problems continue to plague the associations.

I'm particularly concerned that associations in Bonn and Frankfurt, and apparently at many other posts as well, are making significant profits operating temporary housing quarters using facilities owned by the U.S. government.

Despite the department's claims to the contrary, I believe these profits are highly improper, if not outright illegal, and will work to see that they are eliminated.

What are the committee's plans for future oversight of associations?

We will continue our oversight of the department's employee associations as long as it takes to ensure that they are run in an efficient, effective and legal manner.

What will those handbooks address?

One is for the Mom-and-Pop store, for the little guy, and is sort of a standard for everybody. The other one is more of a specialty book — how to run swimming pools, TDY apartments and the various other specialty things.

The second one is in the printers ready to be bound, the third one is in draft review.

Lastly, we're revising our regulations to comply with the IG's recommendations and informal conversations we've had with the Hill. We hope to have those in the very near future also.

We've made a lot of changes in some of the old things that are going on, things that Ravi Sikand has done and continues to do so well in support of the operations in the field.

We have some unique problems. For example, our regu-

lations require us to have bonded employees, but we cannot get an insurance company to bond our people without paying an arm and a leg. In other words, the association would close because it couldn't afford bonding.

We're also planning more regional association conferences. We have two scheduled for this year.

Have you had regional meetings in the past?

We've done all of the regional areas and they're not cheap — they're very expensive. The associations, however, finance their participation.

What's the percentage of associations who attend?

Ninety to 95 percent.

Getting back to the IG's report ... a follow-up audit was finished in December. What were the results?

It was just closing the original one, saying we were in compliance. I talked to Chairman Brooks this morning about a couple of things and he tells me we do. [Rep. Jack Brooks, D-Texas, is chairman of the House Government Operations Committee, which oversees OCRA.]

I haven't had a chance to get in and say, "Where the hell is it?", and find it, but he assures me we have the final copy without a cover. He didn't have the date when we got it but I've got to track through both our systems.

How many associations have now signed a charter?

They've all responded and all the charters are now approved. We did have a couple of rocky starts.

The El Salvador association delayed paying its new assessment fees. [Since the system became non-appropriated in October 1987, all associations are due to pay an annual assessment fee].

They hired an attorney and got an opinion. We countered with a legal opinion and they paid.

Isn't that mutinous, to have your own association hiring its own attorney to fight you — headquarters?

But it shows the independence. I think that shows the difference with the military agencies. I've never been able to articulate this to Mr. Brooks and his staff that that's the difference between our associations and the military commissaries and exchanges.

Ours are made up of voting members. It's like a school board, I think would be the best analogy I could make. The school board votes on school policies within a framework of state education.

Which makes it all the more difficult to try and centralize a group so fiercely independent.

What we're trying to do is establish guidelines for them — rules and regulations that they can look at and work within. Tools like the book, the computerized standard financial programs, and consultants.

I generally see what we're here to do. The daily operations and where they get their goods from, whether they open up a bowling alley or not, is their business.

STATE DEPARTMENT ASSOCIATIONS

Sources of Embassy Association Income — 1986

Apartments	Commissary	Exchange	Food Services	Recreation	Vehicles	Services*	Video Rental	TOTAL
AFEX (Africa)								
\$373,721	\$4,491,695	\$1,145	\$1,356,080	\$211,864	\$1,474	\$89,880	\$67,144	\$6,592,203
ARAEX (Central/South America)								
173,653	7,675,954	16,848	347,429	0	5,952	118,261	52,244	7,925,801
EAPEX (Pacific/Far East)								
45,920	6,431,105	416,155	3,827,797	20,965	0	882,037	169,437	11,787,841
EUREX (Europe)								
417,069	7,979,297	2,716,677	3,719,395	465,820	23,479	542,631	49,633	15,493,366
NEAEX (Near East/Mid East)								
24,603	8,223,908	285,001	2,281,960	124,761	1,960	17,233	85,930	11,045,355
GRAND TOTAL								
\$1,034,965	\$34,801,959	\$3,435,826	\$11,532,661	\$823,410	\$32,864	\$1,650,042	\$424,387	\$52,844,566

SOURCE: State Department. Figures are rounded to the nearest dollar and therefore may not add to totals. * Services include day care, library, TDY housing, movie theaters, etc.

But some people on the Hill say they want a stronger, centralized system.

I think they're wrong.

We have a genuine problem when Chairman Brooks wrote us saying management isn't taking a strong enough active role in oversight. I believe that the oversight role belongs with the IG. That's why we spend the millions of dollars for an Inspector General. Not just this, but oversight is their responsibility.

When we know associations are not doing something right, we say, "OK, you can't do that, but here's how you can do something."

But you wouldn't slap their hands for doing it.

No. It's not my job to do that. I have no authority to slap anyone's hands, but we can recommend that their charter be abolished.

Could you have done that, for instance, if the El Salvador association hadn't paid its fees?

A telegram to El Salvador made it very plain that on a certain date the ambassador was directed to withdraw all support and disband the association.

I think we've laid down the gauntlet. No one has really pushed me to the fact of saying no.

Do you feel Congress is micro-managing you?

No comment...

Why are they paying so much attention to you?

They have an oversight role and have every right to do it.

How far they go, you and I could discuss whether it would be more interesting in how much was wasted on the B-1 bomber vs. a nickel-dime operation like the State Department commissaries, which in total doesn't even

buy the wheels for a B-1 bomber. It's not for me to make those calls.

I think the hearing that we had before Brooks about a year and a half ago set the tone very well. He said he thinks the department has not managed associations as well as should be.

Some people criticize the State Department, saying you've dragged your feet since the IG's report came out two years ago.

I think the bureaucracy moves slow. No one is more intemperate to the speed in which we get things done than I am. But it's like moving a battleship, changing the direction of a ship or stopping it at sea. The chairman says, "Stop X", and it's supposed to be stopped.

When you're changing positions and doing away with positions as we've had to do to make this a non-appropriated fund activity, it's not done overnight. From their perspective, I can understand it doesn't move as fast as they'd like. In some of the areas, we have to go out and get a contractor to come in and do work for us.

I think if you put everything in a nutshell, we have turned the ship around. We are doing the oversight that's required. We've put in place all of the recommendations or are putting them all in.

What percentage of the 137 associations have paid their assessments?

It's 88 percent. Nineteen posts are outstanding but they're all coming in.

What is the formula for the assessment?

OCRA prepares a budget for the board, it goes to the finance committee of the board, then is presented to the full board for a vote.

[EDITOR'S NOTE: The Central Commissary Fund Board has 10 voting members, five from State, and one each from the Defense Department, United States Information Agency,

on the firing line

Agency for International Development, and the Commerce and Agriculture departments.]

Once that budget is approved, then we look at the previous year's income from all the associations and come up with a percentage figure, i.e., this year works out to 1/2 of 1 percent of their total gross proceeds.

During these first couple of years, given the inspection reports and everything that we're trying to do, I think the cost of running a commissary will be a little higher than it will be in the out years.

Have the associations complained about the fee?

Generally the reception has been very good.

What can you offer them in return for their money?

This is just more bureaucracy. I think a lot of things that we've just talked about is what we're offering.

I can give you an example . . .

We've had a couple associations come to us, saying, "We've got real problems. We don't know what to do. The books are in disarray." We've sent consultants out at no cost to the association, reviewed their situation and made recommendations.

The Bonn association has been in a rough spot. The association's cable TV station bought videotapes and then showed them on an inside network. Isn't that a copyright violation?

I don't know if they're still doing it, and I could not vouch for what they program. They've been told to cease and desist by the IG. They have not formally replied to the IG report yet.

When were they told they should cease?

October, November.

So they've had plenty of time to respond.

They run a lot of programs. This is a very big operation.

Having served in Bonn and been involved in it, I'm a little too close, but the association operates a number of activities besides the television station.

Our attorneys said it was their impression there would be a ruling against the association. A second opinion, gotten by the Bonn post, states just the opposite.

That's really not so surprising.

It will get settled. One way to use those tapes is get blanket authority from a firm in the business of doing just that.

But it's basically like going down to a video rental store, renting a tape, then putting it on your own private network.

I would not defend what Bonn has done. But, putting it in perspective, Bonn ordered those tapes under a letter-

head that says television association.

How many more associations are doing that?

We have no idea. It's probably around 10

So insofar as you controlling your associations, are you going to issue some directives saying . . .

We already have. We've sent a telegram out and our regulations are revised.

Our people don't live in downtown Washington, D.C. They're in remote places and they need entertainment. Our job is to find a way, a solution, *not* to find a way to say no to them.

I understand that Chairman Brooks was especially upset that the profits from the TDY housing in Bonn were going into the fund to buy the videotapes. Can you respond to that?

Our regulations allow us to do certain things. Unlike the Department of Defense, we are strictly a non-appropriated fund activity. We do not get the support of government. The attorneys advise us that what they're doing is legal.

We are looking for alternatives that would serve our purposes and also solve Chairman Brooks' problems with the profit situation.

We have a study under way right now with an outside firm to visit our posts in the field. First, we'll go out with a telegram asking questions to find out who does it. Then we'll get a cross-section of those posts, visit them, and see what are the alternatives to this.

One of the things that bothers me somewhat in this area is that there are needs. If the associations don't run it, who runs it?

One of the suggestions made was to have the associations run them but not to make profits. My candid opinion is — would you do something for nothing?

It used to be that each association was an island unto itself in that it was not very micro-managed and didn't have a lot of supervision from Washington. Now they've gotten a bit more supervision from Washington. What do you see in the future?

I see the future as very bright. I really do.

We'll get over this. There's a lot of things we can do for the posts out there. I think we will be getting a lot more efficient in how we do things.

The ambassador is responsible for everything that goes on at his post. The real oversight is at the post. We set the rules and the regulations back here.

But it seems that in a lot of cases the ambassador hasn't overseen the association.

I think that's changing.

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STATE DEPARTMENT ASSOCIATIONS

NAVE\$\$\$O'\$ Biggest Vendors

The 148 companies listed on the opposite page are vendors who did the most business with the Navy Resale and Services Support Office during fiscal 1987.

Readers should note these firms are those that received payments at a *single* address. Organizations with multiple addresses are not included in the list, even if their billings exceed \$1 million.

This year, tobacco companies continued to lead vendors both the NAVRESSO million dollar vendor list, as well as the AAFES list (which was published in last month's MILITARY MARKET).

Philip Morris, the maker of such brands as Marlboro and Benson & Hedges, is the No. 1 vendor on both lists, with sales of \$27.5 million in Navy exchanges and \$39.3 million in Army and Air Force exchanges.

R.J. Reynolds, another tobacco manufacturer, is also rated one of the Top 10 on both lists. RJR did \$22.3-million worth of business with AAFES, and \$18.9 with the Navy.

Other companies making it to the Top 10 on both lists include Eastman Kodak (\$37.3 million with AAFES, \$8.2

million with the Navy) and Procter & Gamble (\$23.8 million with AAFES, \$8.9 million with NAVRESSO).

Has there been significant movement on the lists since last year?

The Defense Personnel Support Center, the leading AAFES vendor in fiscal 1986 (\$114.3 million), was omitted this year because the agency is part of the federal government, according to an AAFES spokesman.

Oil companies like Conoco and U.S. Oil jumped from No. 60 and No. 58, respectively, to Top 10 slots in fiscal 1987. The oil company making by far the most progress is Mansfield Oil, a Georgia-based agency that signed a contract to supply AAFES' ConUS regions about one year ago. The company is now the No. 3 AAFES vendor.

Another new Top 10 entrant on the AAFES list is Apple Computer, which moved from No. 18 in 1986 to No. 8 during fiscal year 1987.

On the Navy side, the Top 10 vendors stayed almost the same. However, Exxon and Eurpac West have moved into top slots, replacing RCA Sales and Levi Strauss.

TOP 10 IN NAVY EXCHANGES

Fiscal 1986

Philip Morris
R.J. Reynolds
Procter & Gamble
Eastman Kodak
Wolverine
American Greetings
Levi Strauss
American Tobacco
RCA Sales Corp.
Creighton Inc.

Fiscal 1987

Philip Morris
R.J. Reynolds
Procter & Gamble
Eastman Kodak
Exxon Co. U.S.A.
Eurpac West
American Tobacco
Creighton Inc.
American Greetings
Wolverine

TOP 10 IN AAFES

Fiscal 1986

Defense Personnel
Philip Morris
Chevron U.S.A.
Eastman Kodak
R.J. Reynolds
Procter & Gamble
Texaco Inc.
Beverages Food & SVC
Gasco
Frito-Lay

Fiscal 1987

Philip Morris
Eastman Kodak
Mansfield Oil
U.S. Oil
Gasco Gasoline
Procter & Gamble
R.J. Reynolds
Apple Computer
Conoco
Beverages,
Foods & Services

Navy Resale's Million-Dollar List

AMERICAN GREETING CARDS	\$6,892,255	JVC AMERICA	1,447,246
AMERICAN TOBACCO	7,313,166	KENWOOD	1,123,442
ANHEUSER BUSCH	3,451,617	KIMBERLY CLARK	1,710,022
APPLE COMPUTER	5,237,294	LIGGETT & MEYERS	4,505,998
ARA SERVICES/SAN DIEGO	1,697,502	LIEBERMAN	1,473,010
ARA SERVICES/NORFOLK	2,035,553	B LIPPMAN	2,840,595
ELIZABETH ARDEN	1,752,262	LEVI STRAUSS	5,674,996
ARROW	1,801,553	LIZ CLAIBORNE	3,724,775
ARTEX	1,023,160	LORILLARD	3,689,753
ASSOCIATED DISTRIBUTOR	1,149,333	MAIDENFORM	1,121,365
AT&T	1,469,227	MANSFIELD OIL	1,068,036
AUDIOVOX	1,245,851	MATTEL	1,809,266
BASF	1,453,000	MERCURY LUGGAGE	1,187,603
BATES SHOE	2,098,521	MICHELIN	1,182,243
BEVERAGES FOODS & SERVICE INDUSTRIES	2,950,879	MILLER BREWING	1,697,870
BIB DISTRIBUTING	1,612,633	MINOLTA	2,727,614
BLACK & DECKER (HOUSEWARES)	2,706,939	M&M MARS	2,418,690
BLACK & DECKER	1,310,005	MOHAWK MARKETING	1,349,580
BOSE	1,603,978	MONARCH CROWN	2,189,436
BRIGADE BRANDS	3,088,434	PHILIP MORRIS	27,541,978
BROWN & WILLIAMSON	4,805,461	MUNSON SPORTING GOODS	1,366,418
CAMPUS SWEATER & SPORTSWEAR	1,091,779	NABISCO BRANDS	1,389,571
CANON	2,395,085	NABISCO BRANDS/ATLANTA	1,406,908
CASIO	1,103,224	NATIONAL VENDORS	1,042,947
CERTIFIED PRINTING	2,890,380	NCR	1,963,719
CHEVRON CHEMICAL	2,296,594	NIKE	5,139,061
CHEVRON USA	3,857,629	NINTENDO	1,315,433
COAST DISTRIBUTING	1,099,791	OLD DOMINION TOBACCO	1,366,020
COCA COLA/LOS ANGELES	1,765,229	ORANGE BLOSSOM	1,253,159
COCA COLA/EXPORT	2,817,442	ORIT	1,957,833
COCA COLA/NORFOLK	1,517,299	OSHKOSH B' GOSH	1,069,484
COCA COLA BOTTLING/MEMPHIS	1,162,539	OSTER/SUNBEAM	1,143,729
COLGATE PALMOLIVE	1,333,691	PAULING	1,720,329
COMMODORE	2,507,390	PALM BEACH	1,227,418
CONOCO	1,871,591	PENDLETON	1,803,538
CREIGHTON	7,280,983	PEPSI COLA BOTTLING/SAN DIEGO	1,299,377
DAVIS CLOTHING	3,007,748	PIONEER	2,171,852
DIAL	1,005,722	PLAYTEX	1,495,404
EASTMAN KODAK	8,202,704	POLAROID	1,963,626
ENCORE INTERNATIONAL	2,968,649	PLAYSKOOL	1,164,677
ETHAN ALLEN	1,207,083	PROCTER & GAMBLE	6,982,253
EURPAC EAST	5,402,821	POLO/RALPH LAUREN	1,063,001
EURPAC WEST	7,796,666	RADIO SHACK	2,026,720
EVEREADY BATTERY	2,397,740	RAFAEL	1,376,963
EXXON	7,802,956	REEBOK	2,142,405
FH ANTHONY & ASSOCIATES	1,552,642	RCA	3,418,857
FIELDCREST MILLS	2,073,391	RJ REYNOLDS	18,949,190
FISHER PRICE TOYS	1,266,079	RJ REYNOLDS	2,074,375
FISHER	2,276,256	REVLON	3,500,142
FISHER CAMUTO	1,322,913	ROBERT TABAKOW	2,260,269
FRITO LAY	3,392,132	RTA INTERNATIONAL	2,815,689
GILLETTE	2,862,366	RUBBERMAID	1,510,665
GOODYEAR	2,494,909	SANDBERG & SIKORSKI DIAMOND	1,685,876
GRUEN MARKETING	2,553,809	SEAGOING UNIFORM	4,462,767
GTE SYLVANIA	1,213,435	SHARP	4,441,177
HAGGAR	1,736,820	SOUTHERN APPAREL	3,395,232
HANDLEMAN	1,946,488	NV SPRING	1,833,389
HANES HOSIERY	2,193,568	SYCAMORE	1,325,122
HANES KNITWEAR	2,938,553	SYSTEM DEVELOPMENT	1,163,110
HASBRO	1,094,146	3M	3,007,722
HEALTH-TEX	1,077,958	TELEFLORA	1,257,549
HERSHEY CHOCOLATE	1,485,870	TIMEX	2,242,993
HILBORN HAMBURGER	1,566,253	TOSHIBA AMERICA	1,080,321
HITACHI	1,793,140	VANGUARD INDUSTRIES	2,982,273
HOFFMAN BEVERAGE	1,187,900	VANGUARD MILITARY EQUIPMENT	3,651,978
HOOVER	1,091,561	VELVA SHEEN	1,775,082
INGRAM SOFTWARE	1,415,874	VENDO CO.	1,087,325
JACOBS SUCHARD/BRACH	1,247,349	VICKS	1,051,748
JOCKEY	1,915,518	UNION BAY	1,185,614
C LLOYD JOHNSON	3,535,213	WARNER LAMBERT	1,124,581
SC JOHNSON & SON	1,132,159	WEINTRAUB BROTHERS	1,341,344
JOHNSON & JOHNSON	1,574,631	WHIRLPOOL	5,727,417
JP STEVENS	1,160,108	WOLVERINE	6,276,184
JOHN K KEALY	3,415,316	ZENITH	2,560,284

Military Market index

COMMISSARIES

		JANUARY			YEAR TO DATE		
		CY'88	CY'87	% CHANGE	CY'88	CY'87	% CHANGE
AIR FORCE	CONUS	\$157,492	\$160,391	-1.81	\$157,492	\$160,391	-1.81
	OVERSEAS	34,955	32,741	6.76	34,955	32,741	6.76
	TOTAL	192,447	193,132	-0.35	192,447	193,132	-0.35
ARMY	CONUS	111,720	112,350	-0.56	111,720	112,350	-0.56
	OVERSEAS	42,525	38,325	10.96	42,525	38,325	10.96
	TOTAL	154,245	150,675	2.37	154,245	150,675	2.37
NAVY	CONUS	59,799	58,235	2.69	59,799	58,235	2.69
	OVERSEAS	6,612	6,817	-3.01	6,612	6,817	-3.01
	TOTAL	66,411	65,062	2.07	66,411	65,062	2.07
MARINE CORPS	CONUS	13,201	13,976	-5.55	13,201	13,976	-5.55
	OVERSEAS	284	277	2.53	284	277	2.53
	TOTAL	13,484	14,253	-5.40	13,484	14,253	-5.40
COAST GUARD	CONUS	242	272	-11.03	242	272	-11.03
	OVERSEAS	318	312	1.92	318	312	1.92
	TOTAL	560	584	-4.11	560	584	-4.11
ALL COMMISSARIES	CONUS	\$342,454	\$345,224	-0.80	\$342,454	\$345,224	-0.80
	OVERSEAS	\$84,694	\$78,472	7.93	\$84,694	\$78,472	7.93
	TOTAL	\$427,148	\$423,696	0.81	\$427,148	\$423,696	0.81
GROCERY STORES	U.S. ¹	\$23.323	\$23.659	-1.42	\$23.323	\$23.659	-1.42

EXCHANGES

		JANUARY			YEAR TO DATE		
		CY'88	CY'87	% CHANGE	CY'88	CY'87	% CHANGE
AAFES	CONUS	\$220,524	\$222,873	-1.05	\$220,524	\$222,873	-1.05
	OVERSEAS	198,752	182,146	9.12	198,752	182,146	9.12
	TOTAL	419,277	405,019	3.52	419,277	405,019	3.52
NAVY	CONUS ²	83,819	67,757	23.71	83,819	67,757	23.71
	OVERSEAS ²	40,117	30,433	31.82	40,117	30,433	31.82
	TOTAL ²	123,936	98,190	26.22	123,936	98,190	26.22
MARINE CORPS	CONUS	18,898	19,018	-0.63	18,898	19,018	-0.63
	OVERSEAS	4,489	3,926	14.34	4,489	3,926	14.34
	TOTAL	23,386	22,944	1.93	23,386	22,944	1.93
COAST GUARD	CONUS ³	5,237	5,344	-2.00	5,237	5,344	-2.00
	OVERSEAS ³	390	398	-2.01	390	398	-2.01
	TOTAL ³	5,627	5,742	-2.00	5,627	5,742	-2.00
MAIL ORDER	CONUS ⁴	1,239	1,352	-8.36	1,239	1,352	-8.36
	OVERSEAS ⁴	1,576	1,474	6.92	1,576	1,474	6.92
	TOTAL ⁴	2,815	2,825	-0.35	2,815	2,825	-0.35
ALL EXCHANGES	CONUS	\$329,717	\$316,344	4.23	\$329,717	\$316,344	4.23
	OVERSEAS	\$245,234	\$218,377	12.34	\$245,234	\$218,377	12.34
	TOTAL	\$575,041	\$534,721	7.54	\$575,041	\$534,721	7.54
DEPARTMENT STORES	U.S. ¹	\$8.564	\$7.877	8.72	\$8.564	\$7.877	8.72

1) SOURCE: U.S. Department of Commerce. 2) Does not include sales of ship stores. 3) MM estimate, based on official data. 4) Includes consolidated sales for all services, including Coast Guard. NOTE: Individual figures may not add to totals because of rounding. All sales are expressed in millions (add 000), except grocery stores and department stores, which are in billions. Commissary sales include appropriate surcharges; exchange sales include concession volume.